

**GREATER ATTLEBORO-TAUNTON
REGIONAL TRANSIT AUTHORITY**
(a component Unit of the Commonwealth of Massachusetts)

Basic Financial Statements, Supplementary Data
For the Year Ended June 30, 2010

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
(a Component Unit of the Commonwealth of Massachusetts)

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GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2010

The management of the Greater Attleboro-Taunton Regional Transit Authority (the Authority) has generated this narrative overview and analysis to assist our readers in understanding the Authority's basic financial statements.

Financial Highlights

- * The assets of the Authority exceeded its liabilities at June 30, 2010 by \$16,643,000.
- * The Authority's total net assets increased by \$3,545,000.
- * The total operating revenue increased from \$19,751,000 in fiscal year 2009 to \$21,720,000 in fiscal year 2010.
- * The operating expenses increased from \$30,979,000 in fiscal year 2009 to \$33,261,000 in fiscal year 2010.
- * The Authority expended \$6,207,000 for capital assets.
- * Explanations of the above changes are delineated later in this narrative.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements are comprised of the following: Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, Statement of Cash Flows and the Notes to the Financial Statements.

The statement of net assets presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator as to whether the financial position of the Authority is improving or deteriorating.

The statement of revenues, expenses and changes in net assets presents information showing how the assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected receivables or unpaid accounts payable).

The statement of cash flows indicates the sources of the Authority's cash inflows and the uses of its cash outflows.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
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FOR THE YEAR ENDED JUNE 30, 2010

Financial Position Analysis

The following is a condensed statement of net assets. It also indicates percentage changes in the Authority's assets, liabilities and net assets.

Statement of Net Assets
(000 omitted)

	2010	2009	Percentage Change
Current assets	\$ 12,314	\$ 12,351	0%
Capital assets	16,870	13,360	26%
Other noncurrent assets	2,962	2,693	10%
Total assets	<u>32,146</u>	<u>28,404</u>	<u>13%</u>
Long-term liabilities	11,037	9,914	11%
Current liabilities	4,466	5,392	-17%
Total liabilities	<u>15,503</u>	<u>15,306</u>	<u>1%</u>
Net assets			
Invested in capital assets	16,870	13,360	26%
Restricted	759	538	41%
Unrestricted	(986)	(800)	23%
Total net assets	<u>\$ 16,643</u>	<u>\$ 13,098</u>	<u>27%</u>

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$16,643,000 at the close of the most recent fiscal year.

By far the largest portion of the Authority's net assets reflects its investment in capital assets of \$16,870,000. (Namely, Land, Buildings, Buses and vans, and Equipment). The Authority uses these capital assets to provide transportation services to the general public; consequently, these assets are not available for future spending.

An additional portion of the Authority's net assets represents resources that are subject to external restrictions on how they may be used. The \$759,000 of restricted net assets reflects the Authority's reserve for the acquisition of capital assets and reserve for the liquidation of certain obligations pursuant to an agreement with another transportation authority, less related liabilities.

At the end of the current fiscal year, the Authority is able to report positive balances in two of the three categories of net assets.

The Authority's net assets increased by \$3,545,000 during the current fiscal year. The increase was caused by increases in nonoperating revenue and capital contributions netted against an increased operating loss.

The Authority's total debt increased by \$197,000 (1%) during the current year. This increase was caused by decreases in accounts payable to general vendors and accrued expenses of \$925,000, increases in accounts payable to capital asset contractors of \$330,000, increases in noncurrent accrued expenses of \$92,000 and an increase in revenue anticipation notes of \$700,000.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
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FOR THE YEAR ENDED JUNE 30, 2010

Operations Analysis

The following is the Authority's statement of revenues, expenses and changes in net assets. It also indicates percentage changes in the various accounts.

Statement of Revenues, Expenses and Changes in Net Assets
(000 omitted)

	2010	2009	Percentage Change
Operating revenues			
Transportation services	\$ 21,720	\$ 19,751	10%
Operating expenses			
Cost of service, maintenance			
administration	30,616	28,481	7%
Depreciation	2,645	2,498	6%
	33,261	30,979	7%
Operating loss	(11,541)	(11,228)	3%
Nonoperating revenues and (expenses)			
Operating assistance grants	9,359	8,722	7%
Write-off receivable	(316)		100%
Other	(110)	(3)	3567%
	8,933	8,719	2.5%
Loss before capital contribution	(2,608)	(2,509)	4%
Capital contributions			
Commonwealth of Massachusetts			
appropriations	346	328	5%
Federal and other	5,807	1,687	244%
	6,153	2,015	205%
Increase (decrease) in net assets	3,545	(494)	818%
Net assets			
Beginning of year	13,098	13,592	-4%
End of year	\$ 16,643	\$ 13,098	27%

The Authority's operating loss increased by \$313,000 (3%) from the prior year.

Operating revenues increased \$1,969,000 a 10% increase from the prior year.

Operating expenses, inclusive of depreciation, increased \$2,282,000, a 7% increase.

The "Increase (decrease) in net assets" increased by \$4,039,000 (818%).

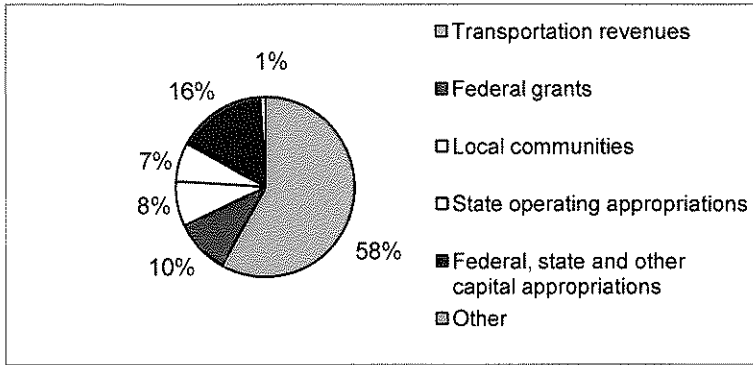
The increase in operating revenues \$1,969,000 was caused primarily by an increase in human service agency revenue.

The increase in net assets of \$3,545,000 was caused by capital contributions of \$6,153,000, nonoperating revenue of \$8,933,000 less an operating loss of \$11,541,000.

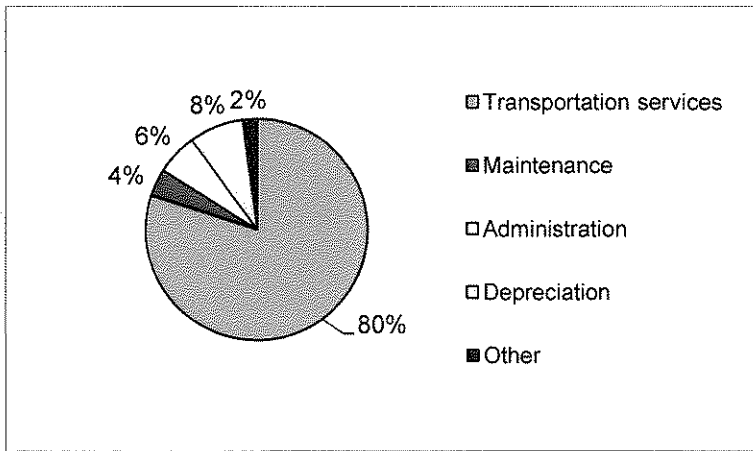
GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
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 FOR THE YEAR ENDED JUNE 30, 2010

The revenues and expenses by source are delineated in the following graphs:

Revenues by source:



Expenses by source:



Financial Ratios

"Working Capital" is the amount by which current assets exceed current liabilities. The Current Ratio, which compares current assets to current liabilities, is an indicator of the ability to pay current obligations.

	<u>2010</u>	<u>2009</u>
Working Capital	\$ 7,848,000	\$ 6,959,000
Current ratio	3:1	2:1

The working capital and current ratio indicate that the Authority has an excellent ability to meet current obligations.

"Liabilities to Net Assets" indicates the extent of borrowing.

	<u>2010</u>	<u>2009</u>
Liabilities to net assets	93%	117%

This decrease was caused primarily by a decrease in liabilities related to transportation vendors.

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MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2010

Capital and Debt Administration

Capital Assets

The Authority's investment in capital assets as of June 30, 2010 amounts to \$16,870,000, net of accumulated depreciation. The investment in capital assets includes Land, Buildings, Buses and vans, Equipment and Intangible assets. The total net increase in capital assets for the current year was \$3,510,000 or a 26% increase.

Major capital assets events during the current year included the following:

1. The acquisition of improvements to buildings of \$1,792,000.
2. The acquisition of rolling stock (buses and vans) of \$3,895,000.
3. The acquisition of equipment of \$415,000.
4. The addition of intangible assets of \$105,000.

Capital assets at year-end net of accumulated depreciation
(000 omitted)

	<u>2010</u>	<u>2009</u>
Land	\$ 822	\$ 822
Buildings	16,528	14,737
Buses and vans	15,651	12,188
Equipment	4,927	4,742
Intangible assets	455	350
	38,383	32,839
Less accumulated depreciation	21,513	19,479
	\$ 16,870	\$ 13,360

Revenue Anticipation Notes

At the end of 2010 and 2009 the Authority had revenue anticipation notes of \$9,200,000 and \$8,500,000, respectively. These notes provide operating cash flow until Commonwealth appropriation funds are received.

Economic Factors and Next Year's Budget

Funding for the Authority's net cost of service (noncapital expenses less all noncapital revenues except state contract assistance and member municipality assessments) is dependent primarily (50%) on operating assistance from the Commonwealth of Massachusetts. This operating assistance is funded a year in arrears by the State (the Authority's fiscal 2010 assistance will be included in the Commonwealth's fiscal 2011 budget). The balance (50%) of the Authority's net cost of service is funded through assessments to member municipalities. These assessments may increase annually in the aggregate by no more than 2 1/2%, plus the members share of any new services.

A number of economic factors will or may effect the Authority's 2011 operations. Namely, fixed increases in payroll and fringe related to a union contract, potential fuel increases and the fact that the Commonwealth of Massachusetts has budgetary problems that may effect the Authority's funding, will undoubtedly effect 2011 operating results. However, the Authority is receiving \$3,161,594 in Federal grants, pursuant to the American Recovery and Reinvestment Act of 2009 (ie., Stimulus Funds). Of this amount, \$907,429 is designated to fund operations and \$2,254,165 is to be used for capital improvements. With these funds it is unlikely the Authority will have any serious financial restraints in fiscal year 2011.

Contracting the Authority's Financial Management

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions or need additional information, contact Francis Gay, Administrator, Greater Attleboro-Taunton Regional Transit Authority, 10 Oak Street, 2nd Floor, Taunton, MA 02780-1222.

Bruce D. Norling, CPA, P.C.

INDEPENDENT AUDITORS' REPORT

The Advisory Board
Greater Attleboro-Taunton Regional Transit Authority

We have audited the accompanying statement of net assets of Greater Attleboro-Taunton Regional Transit Authority (the Authority), a component unit of the Commonwealth of Massachusetts, as of June 30, 2010 and 2009, and the related statements of revenues, expenses and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated September 30, 2010 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through v be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Authority taken as a whole. The supplementary information included in the accompanying schedules 1, 2, 3, and 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bruce D. Norling, CPA, P.C.

September 30, 2010

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
(a Component Unit of the Commonwealth of Massachusetts)

Statement of Net Assets
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 67,400	\$
Receivables	12,008,415	12,102,876
Other current assets	237,655	248,279
Total current assets	<u>12,313,470</u>	<u>12,351,155</u>
Noncurrent assets		
Restricted assets		
Cash and cash equivalents	892,582	614,654
Receivables capital grants	1,231,348	957,916
Total restricted assets	<u>2,123,930</u>	<u>1,572,570</u>
Receivables	838,261	1,119,808
Capital assets, net	16,870,096	13,360,217
Total noncurrent assets	<u>19,832,287</u>	<u>16,052,595</u>
Total assets	<u>32,145,757</u>	<u>28,403,750</u>
 LIABILITIES		
Current liabilities		
Accounts payable and accrued expense	<u>4,466,285</u>	<u>5,391,829</u>
Total current liabilities	<u>4,466,285</u>	<u>5,391,829</u>
Noncurrent liabilities		
Liabilities payable from restricted assets		
Accounts payable and accrued expense	1,365,158	1,035,022
Accrued expense	471,320	379,113
Revenue anticipation notes	9,200,000	8,500,000
Total noncurrent liabilities	<u>11,036,478</u>	<u>9,914,135</u>
Total liabilities	<u>15,502,763</u>	<u>15,305,964</u>
 NET ASSETS		
Invested in capital assets	16,870,096	13,360,217
Restricted	758,772	537,548
Unrestricted	(985,874)	(799,979)
Total net assets	<u>\$ 16,642,994</u>	<u>\$ 13,097,786</u>

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
(a Component Unit of the Commonwealth of Massachusetts)

Statement of Revenues, Expenses and Changes in Net Assets

Year Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Operating revenues		
Transportation services	\$ 21,720,465	\$ 19,751,193
Operating expenses		
Cost of service, maintenance and administration		
Transportation service	27,002,391	24,951,617
Maintenance	1,516,809	1,450,342
General and administration	2,097,041	2,079,518
	<u>30,616,241</u>	<u>28,481,477</u>
Depreciation	2,645,218	2,497,794
	<u>33,261,459</u>	<u>30,979,271</u>
Operating loss	(11,540,994)	(11,228,078)
Nonoperating revenues and (expenses)		
Operating assistance grants		
Federal	3,764,488	3,428,019
State	2,600,745	2,612,736
Local	2,994,093	2,681,180
Interest expense	(172,459)	(163,585)
Write-off receivable for state operating assistance	(316,000)	
Other	62,297	160,826
	<u>8,933,164</u>	<u>8,719,176</u>
Loss before capital contributions	(2,607,830)	(2,508,902)
Capital contributions		
Commonwealth of Massachusetts appropriations	346,342	327,493
Federal appropriations	5,757,189	1,641,370
Other	49,507	46,102
	<u>6,153,038</u>	<u>2,014,965</u>
Increase (decrease) in net assets	3,545,208	(493,937)
Total net assets		
Beginning of year	13,097,786	13,591,723
End of year	<u>\$ 16,642,994</u>	<u>\$ 13,097,786</u>

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
(a Component Unit of the Commonwealth of Massachusetts)

Statement of Cash Flows

Year Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Receipts from customers	\$ 23,369,765	\$ 18,516,632
Payments to vendors and suppliers	(30,491,010)	(26,124,861)
Payments to employees	(783,473)	(693,425)
Payments of fringe	<u>(50,936)</u>	<u>(9,699)</u>
Net cash used in operations	<u>(7,955,654)</u>	<u>(8,311,353)</u>
Cash flows from noncapital financing activities		
Proceeds from revenue anticipation notes	9,221,142	8,521,361
Repayment of revenue anticipation notes	(8,500,000)	(7,000,000)
Operating assistance grants	7,770,034	7,020,810
Interest expense	<u>(204,710)</u>	<u>(269,350)</u>
Net cash provided by noncapital financing activities	<u>8,286,466</u>	<u>8,272,821</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	(5,871,741)	(2,086,452)
Capital contributions		
United States Department of Transportation	5,429,895	1,833,516
Commonwealth of Massachusetts capital appropriations	280,629	174,745
Other	51,299	23,162
Proceeds from sale of capital assets	<u>2,032</u>	<u>11,075</u>
Net cash used in capital and related financing activities	<u>(107,886)</u>	<u>(43,954)</u>
Cash flows from investing activities		
Interest income	9,977	26,705
Rental income	<u>112,425</u>	<u>149,751</u>
Net cash provided by investing activities	<u>122,402</u>	<u>176,456</u>
Net increase in cash and cash equivalents	345,328	93,970
Cash and cash equivalents at beginning of year	<u>614,654</u>	<u>520,684</u>
Cash and cash equivalents at end of year	<u>\$ 959,982</u>	<u>\$ 614,654</u>
Reconciliation of operating loss to net cash used in operations		
Operating loss	\$ (11,540,994)	\$ (11,228,078)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,645,218	2,497,794
Changes in assets and liabilities:		
Receivables, net	1,649,300	(1,234,561)
Other assets	10,624	(55,292)
Accounts payable and accrued expense	<u>(719,802)</u>	<u>1,708,784</u>
Net cash used in operations	<u>\$ (7,955,654)</u>	<u>\$ (8,311,353)</u>
Non-cash capital and related financing activities		
Capital assets purchased on behalf of the Authority by the Commonwealth of Massachusetts	\$ 117,783	\$ None
At June 30, 2010, the Authority had capital expenditures that were financed via accounts payable	\$ 931,302	\$ 713,569

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
(a Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2010 and 2009

1. The Authority and Operators

The Greater Attleboro-Taunton Regional Transit Authority (the Authority) is a component unit of the Commonwealth of Massachusetts (the Commonwealth). The Authority was established as a political subdivision of the Commonwealth on December 15, 1976, by the various cities and towns constituting the Authority, pursuant to Section 3 of Chapter 161B of the General Laws of the Commonwealth, for the purpose of continuing and improving local transit service.

The Authority is managed by an Administrator appointed by an Advisory Board. The Advisory Board is made up of appointed representatives from the member communities. The Authority's operations are primarily funded through passenger fares, contractual reimbursements and operating subsidies from the Federal government, the Commonwealth, and the member communities. In addition, the Authority receives federal and state capital grants that are used to finance acquisitions and improvements to facilities and equipment.

The operation and maintenance of the Authority is performed by various private sector transportation companies (the Operators) under terms and agreements whereby the carriers provide mass transit along such routes and according to such schedules as may be defined by the Authority. In return, the Authority agreed to reimburse the Operators for all costs and expenses which are reasonable and necessary for the efficient operation of the system.

The Authority also has a Medical Transportation program, whereby, the Authority coordinates with various human service agencies to provide their clients with transportation services. The actual services are provided by various private sector transportation companies.

2. Summary of Significant Accounting Policies

a) Measurement Focus, Basis of Accounting and Financial Reporting Presentation – The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government entities. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Under these standards, the Authority is defined as a special-purpose government, engaged only in business-type activities.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized at the time transportation services are provided. Deferred revenue represents cash received in advance of future services.

The Authority distinguishes between operating revenues and expenses and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing transit services to the general public. The Authority's principal operating revenue is passenger fares. Operating expenses include the cost of transit services, provided by third party vendors, maintenance, administrative and depreciation expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
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Notes to Financial Statements
June 30, 2010 and 2009

2. Summary of Significant Accounting Policies (continued)

The Authority has adopted GASB No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," which establishes guidance for applying standards established in Financial Accounting Standards Board ("FASB") Statements and Interpretations to the preparation of financial statements for proprietary fund activities. In accordance with GASB No. 20, the Authority observes all FASB Statements and Interpretations that were issued on or before November 30, 1989, unless they conflict with GASB Pronouncements.

b) Adoption of New Accounting Pronouncements - In June, 2007, the GASB issued GASB No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets. It also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets.

Further, the Statement requires that an intangible asset be recognized in the statement of net assets only if it is considered identifiable. It establishes a specified-conditions approach to recognizing intangible assets that are internally generated. Effectively, outlays associated with the development of such assets should not begin to be capitalized until certain criteria are met. Outlays incurred prior to meeting these criteria should be expensed as incurred. The Statement also provides guidance on recognizing internally generated computer software as an intangible asset. This guidance serves as an application of the specified-conditions approach described above to the development cycle of computer software.

In addition, the Statement establishes guidance specific to intangible assets related to amortization. Provisions of this statement are effective for periods beginning after June 15, 2009. The adoption of GASB No. 51 did not have a material impact on the statement of net assets.

The GASB has issued the following statements, which require adoption subsequent to June 30, 2010, and are applicable to the Authority. The Authority has not yet adopted these statements, and the implications on the fiscal practices and financial reports are being evaluated.

<u>Statement No.</u>	<u>Adoption Required in Fiscal Year</u>
54 <i>Fund Balance Reporting and Governmental Fund Type Definitions</i>	2011
57 <i>OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans</i>	2012
59 <i>Financial Instruments Omnibus</i>	2011

c) Capital Grants – The Authority receives capital grants from the United States Department of Transportation and the Commonwealth to be used for various purposes connected with the planning, modernization and expansion of transportation service. Pursuant to GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, these grants are reflected in the accompanying statement of revenues, expenses and changes in net assets as revenue in the capital contributions category.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
(a Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2010 and 2009

2. Summary of Significant Accounting Policies (continued)

d) Statement of Cash Flows – For purposes of the statement of cash flows, the Authority considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

e) Accrued Sick Leave and Vacation – Employees are granted vacation and sick leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave at the then-current rates of pay. The accumulated amount of sick and vacation leave is recorded as an expense and liability as the benefits accrue to employees.

f) Restricted Assets and Restricted Liabilities – Restricted assets are restricted for the acquisition of capital assets and for the liquidation of certain obligations pursuant to an agreement with another transportation authority. Restricted liabilities are amounts payable from the restricted assets.

g) Capital Assets – Capital assets are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the economic useful lives of the assets. The Authority's capitalization policy is to capitalize all assets acquired with capital funds regardless of the dollar amount. Pursuant to GASB No. 51, *Accounting and Financial Reporting for Intangible Assets*, the Authority's intangible assets are now classified as capital assets.

h) Net Assets - Net assets are reported in classifications that conform to the use of those net assets. The categories of reporting net assets are (1) amounts invested in capital assets – net of related debt, (2) amounts that are legally or statutorily restricted as to their use – net of related debt, and (3) amounts that are unrestricted.

The restricted net assets are all expendable.

i) Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Some of the Authority's more significant estimates relate to grant receivables and related income, capital asset impairment and certain accrued expenses. Actual results could differ from those estimates.

j) Reclassifications – Certain prior period amounts have been reclassified to conform to current year presentation.

3. Cash and Cash Equivalents

State and local statutes place certain limitations on the nature of deposits and investments available to the Authority. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain levels without collateralization by the financial institutions involved. Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. Government or its agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase and units in the Massachusetts Municipal Depository Trust ("MMDT").

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(a Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2010 and 2009

3. Cash and Cash Equivalents (continued)

Pursuant to GASB No. 40, custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The Authority's policy to mitigate these risks is to invest its funds in deposits that are fully insured. The total amounts of Authority deposits in financial institutions, per the bank statements, as of June 30, 2010, are as follows:

Balance per banks	
Deposits covered by:	
Federal Depository Insurance Corporation	\$ 715,018
Depositors insurance fund protection	<u>752,087</u>
 Total balance per banks	 <u><u>\$ 1,467,105</u></u>

The composition and amount of the Authority's cash and cash equivalents fluctuates during the fiscal year. The primary reason for the fluctuation involves the timing of the proceeds of borrowings, collections of federal, state and local aid, and capital outlays made.

4. Grants

Under various sections of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), of 2005, the United States Department of Transportation approves capital grants to fund up to 80% of the Authority's capital improvement projects. The amount of this funding for 2010 and 2009 was \$1,801,006 and \$1,641,370, respectively. The remaining capital expenditures were financed through Commonwealth, local communities and private capital contributions. These contributions for 2010 and 2009 were \$395,849 and \$373,595, respectively.

Further, pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), the United States Department of Transportation approves capital grants to fund 100% of selected capital improvement projects. ARRA capital appropriations for the current year were \$3,956,183.

In addition, the Authority is eligible for grants for operating assistance from the United States Department of Transportation. Pursuant to various sections of the SAFETEA-LU, and other acts, the Federal government may fund up to 80% of the Authority's preventative maintenance related expenses and ADA related operating costs. Funding for 2010 and 2009 was \$2,824,350 and \$3,428,019, respectively.

Further, under the American Recovery and Reinvestment Act of 2009 (ARRA), the United States Department of Transportation may fund up to 100% certain operating expenses of the Authority. ARRA operating funding for 2010 was \$940,138.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
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Notes to Financial Statements
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4. Grants (continued)

The Authority has a contract with the Commonwealth for operating assistance as provided for in the enabling legislation. The contract provides that the Commonwealth will pay the Authority a portion of its net cost of service. The amount of this contract assistance for fiscal year 2010 and 2009 was \$2,681,180 in both years. In addition, for 2010 and 2009, the various cities and towns constituting the Authority provided \$2,994,093 and \$2,681,180, respectively in operating assistance in each of said years.

5. Receivables

The receivables balance on the accompanying statement of net assets is disaggregated as follows:

	<u>2010</u>	<u>2009</u>
United States Department of Transportation -		
Pass-through grants through the Commonwealth		
Operating grants		
Rural area assistance	\$ 47,306	\$ 94,612
Direct Federal Grants		
Operating grants	<u>2,904,700</u>	<u>2,024,122</u>
	<u>2,952,006</u>	<u>2,118,734</u>
Commonwealth of Massachusetts		
Operating grants		
State contract assistance	2,766,985	3,130,693
Local operating assistance to be billed by the		
Commonwealth to Cities and Towns constituting		
the Authority and paid by the Commonwealth to		
the Authority	4,586,026	3,782,298
Executive Office of Human Services Transportation Revenue	<u>2,541,659</u>	<u>4,190,959</u>
	<u>9,894,670</u>	<u>11,103,950</u>
Total Receivables	<u>\$ 12,846,676</u>	<u>\$ 13,222,684</u>

The total receivables is shown on the accompanying statement of net assets as follows:

Current receivables	12,008,415	12,102,876
Noncurrent receivables	838,261	1,119,808
	<u>\$ 12,846,676</u>	<u>\$ 13,222,684</u>

Capital assistance		
Commonwealth of Massachusetts	184,804	236,874
Federal grants	1,025,396	698,102
Other	<u>21,148</u>	<u>22,940</u>
Total Receivables capital grants	<u>\$ 1,231,348</u>	<u>\$ 957,916</u>

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
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June 30, 2010 and 2009

5. Receivables (continued)

Noncurrent receivables – At June 30, 2009 the Authority had a noncurrent receivable of \$449,513 that was created by prior unfunded deficits. This receivable was due from the Commonwealth pursuant to Massachusetts General Laws, Chapter 161b. During the current year, the Authority determined that \$316,000 was uncollectible and written off. However, income from the Authority's Medical Transportation Program was sufficient to offset this expense. Further, an additional \$44,025 was funded by Commonwealth operating assistance (namely, via the Authority's reserve for extraordinary expense). This left a balance in the receivable of \$89,488. The Authority intends to fund this receivable in fiscal 2011 with additional Commonwealth operating assistance.

6. Other Current Assets

The other current asset balance includes inventory of motor vehicle parts and fuel for 2010 and 2009 of approximately \$189,000 and \$150,000, respectively. This inventory is stated at the lower of cost or market.

7. Capital Assets and Depreciation

The capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 822,107	\$ -	\$ -	\$ 822,107
Subtotal	<u>822,107</u>	<u>-</u>	<u>-</u>	<u>822,107</u>
Depreciable capital assets				
Buildings	14,737,225	1,791,496	734	16,527,987
Vehicles	12,188,235	3,895,034	431,900	15,651,369
Equipment	4,742,314	415,493	231,105	4,926,702
Intangible assets	349,465	105,233		454,698
Subtotal	<u>32,017,239</u>	<u>6,207,256</u>	<u>663,739</u>	<u>37,560,756</u>
Accumulated depreciation	<u>19,479,129</u>	<u>2,645,218</u>	<u>611,580</u>	<u>21,512,767</u>
Net depreciable capital assets	<u>12,538,110</u>	<u>3,562,038</u>	<u>52,159</u>	<u>16,047,989</u>
Net depreciable and net capital assets	<u>\$ 13,360,217</u>	<u>\$ 3,562,038</u>	<u>\$ 52,159</u>	<u>\$ 16,870,096</u>

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
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June 30, 2010 and 2009

7. Capital Assets and Depreciation (continued)

The capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 822,107	\$ -	\$ -	\$ 822,107
Subtotal	<u>822,107</u>	<u>-</u>	<u>-</u>	<u>822,107</u>
Depreciable capital assets				
Buildings	14,097,045	642,006	1,826	14,737,225
Vehicles	12,184,707	855,618	852,090	12,188,235
Equipment	4,384,433	487,401	129,520	4,742,314
Intangible Assets	283,226	66,239		349,465
Subtotal	<u>30,949,411</u>	<u>2,051,264</u>	<u>983,436</u>	<u>32,017,239</u>
Accumulated depreciation	<u>17,964,208</u>	<u>2,497,794</u>	<u>982,873</u>	<u>19,479,129</u>
Net depreciable capital assets	<u>12,985,203</u>	<u>(446,530)</u>	<u>563</u>	<u>12,538,110</u>
Net depreciable and net capital assets	<u>\$ 13,807,310</u>	<u>\$ (446,530)</u>	<u>\$ 563</u>	<u>\$ 13,360,217</u>

Depreciation expense for 2010 and 2009 was \$2,645,218 and \$2,497,794, respectively.

8. Accounts Payable and Accrued Expense

The accounts payable and accrued expense balance is disaggregated as follows:

	<u>2010</u>	<u>2009</u>
Payable to general vendors	\$ 4,184,119	\$ 5,116,243
Accrued salaries and benefits	59,704	53,792
Accrued interest	180,511	181,644
Accrued other	41,951	40,150
	<u>\$ 4,466,285</u>	<u>\$ 5,391,829</u>

9. Revenue Anticipation Notes

The Authority is subsidized by the Commonwealth for its annual "Net Cost of Service" as defined in the legislation. These subsidies are funded subsequent to the year in which the costs are incurred. Therefore, the Authority issues revenue anticipation notes to cover cash flow deficiencies until funding is received.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
(a Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2010 and 2009

9. Revenue Anticipation Notes (continued)

During the years ended June 30, 2010 and 2009, the following changes occurred in the Authority's revenue anticipation notes (RANs):

	<u>2010</u>	<u>2009</u>
Balance, July 1, 2009	\$ 8,500,000	\$ 7,000,000
New notes issued	9,200,000	8,500,000
Notes retired	<u>(8,500,000)</u>	<u>(7,000,000)</u>
Balance, July 1, 2010	<u>\$ 9,200,000</u>	<u>\$ 8,500,000</u>

The RANs outstanding at June 30, 2010 had a weighted average interest rate of 2.29% and are due in August, 2010. These RANs were refinanced in August, 2010 with generally the same terms as the notes outstanding at June 30, 2010. The notes are short-term debt expected to be refinanced and are classified in the accompanying statement of net assets as noncurrent liabilities. These RANs are guaranteed by the Commonwealth of Massachusetts.

10. Leases

The Authority leases two commuter rail stations from the Massachusetts Bay Transportation Authority (MBTA). The leases require the Authority to pay essentially all the operating expenses of the facilities in lieu of rent. These expenses are not material to the Authority's financial statements. One of the leases allows the Authority to operate the MBTA's Attleboro Station paid parking facility. The excess of revenues over expenses is shared with the MBTA. However, the Authority's share of income is restricted as to use as it must be used for capital improvements to the Attleboro Station.

11. Employees' Retirement System

Pension

The Authority provides retirement benefits to employees through the City of Taunton Contributory Retirement System (The System). The System operates a multi-employer, cost sharing, defined benefit pension plan. The Plan covers all employees and provides retirement, disability and death benefits.

The System is a member of the Massachusetts Contributory Retirement System and is governed by Massachusetts General Laws (M.G.L.), Chapter 32. Oversight of the System is provided by the Board of Retirement. The System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Massachusetts Public Employee Retirement Administration Commission, One Ashburton Place, Boston, MA 02108.

Plan members are required to contribute 8% to 11% of their covered compensation and the Authority is required to contribute an actuarially determined amount. The Authority's current year contribution to the System was \$57,428. This represented .45% of System-wide employer assessments. The contribution requirements of plan members and the Authority are established and may be amended by M.G.L. The Authority's contributions to the System for the years ending June 30, 2009 and 2008 were \$63,491 and \$61,326 (representing .58% and .58% of System-wide employer contributions), respectively, equal to the required contributions for each year.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
(a Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2010 and 2009

11. Employees' Retirement System (continued)

Post Employment Healthcare Benefits

The Greater Attleboro-Taunton Regional Transit Authority Healthcare Plan ("the Plan") is a single employer defined benefit healthcare plan administered by the Authority. The Plan covers all retirees that meet the requirements of the Authority's pension plan and provides medical and dental insurance benefits to eligible retirees and their spouses. Chapter 161b of the General Laws of the Commonwealth assigns the authority to establish and amend provisions to the Authority. As of June 30, 2010, the actuarial valuation date, twelve active employees and five retirees meet eligibility requirements. The Plan does not issue a publicly available financial report.

Funding policy- The contribution requirements of the plan members and the Authority are established and may be amended by the Authority's Advisory Board. The annual required contribution (ARC) is based on projected pay-as-you-go financing requirements. The Authority contributes 90% of the cost of current-year premiums for eligible retired plan members and their spouses. For fiscal years 2010 and 2009, the Authority contributed \$13,162 and \$12,230, respectively. Furthermore, it accrued the OPEB obligation. Plan members receiving benefits contribute 10 percent of their premium costs.

Annual OPEB Cost and Net OPEB Obligation – The Authority's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation to the Plan:

	<u>2010</u>	<u>2009</u>
Annual required contribution	\$ 99,324	\$ 96,490
Interest on net OPEB obligation and ARC adjustment	1,103	-
Annual OPEB cost (expense)	<u>100,427</u>	<u>96,490</u>
Contributions made	<u>(13,162)</u>	<u>(12,230)</u>
Increase in net OPEB obligation	87,265	84,260
Net OPEB obligation - beginning of year	<u>180,750</u>	<u>96,490</u>
Net OPEB obligation - end of year	<u>\$ 268,015</u>	<u>\$ 180,750</u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the OPEB obligation for 2010 and the two preceding years were as follows:

	<u>Annual OPEB Cost</u>	<u>Percentage Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2008	\$96,490	N/A	\$ 96,490
June 30, 2009	\$96,490	12.7%	\$192,980
June 30, 2010	\$100,427	13.1%	\$268,015

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
(a Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2010 and 2009

11. Employees' Retirement System (continued)

Post Employment Healthcare Benefits (continued)

Funded Status and Funding Progress – As of June 30, 2010, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$1,448,456 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,448,456. The covered payroll (annual payroll of active employees covered by the plan) was \$643,633 and the ratio of the UAAL to the covered payroll was 225%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2010, actuarial valuation, the projected unit credit method was used. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2010, was thirty years.

12. Commitments and Contingencies

- a) Purchase commitments – As of June 30, 2010, the Authority had outstanding purchase commitments of \$837,000.
- b) Litigation – In the normal course of operations, the Authority has been named in various claims and litigation. Based upon information available to counsel and the Authority, management believes that the ultimate outcome from these claims and litigations will not have a material adverse effect on the Authority's financial position.
- c) Federal and State Grants - The Authority has received capital and operating financial assistance from Federal and State agencies in the form of grants. Expenditure of funds under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. In the opinion of Authority management, liabilities resulting from such disallowed expenditures, if any, would not be material to the accompanying financial statements.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
(a Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2010 and 2009

12. Commitments and Contingencies (continued)

- d) Risk management - The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers compensation claims for which the Authority carries commercial insurance. Settlements have not exceeded coverages for each of the past three fiscal years.

The Authority's workers compensation coverage is insured under a retrospectively rated policy. In the opinion of management, any insurance carrier audit adjustment, if any, will not be material to the accompanying financial statements.

13. Related Party Transactions

Transactions with the Commonwealth (Primary Government) are as follows:

- a. Receivables are delineated in Note 5.
b. Actual operating and capital assistance for 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Operating assistance		
Commonwealth appropriations	\$ 2,681,180	\$ 2,612,736
Federal pass-through grants		
Rural area assistance	47,306	47,306
Local communities' assistance	2,995,093	2,681,180
Capital assistance		
Commonwealth appropriations	346,342	327,493
Executive Office of Human Services Transportation	<u>20,568,987</u>	<u>18,608,893</u>
 Total related party transactions	 <u>\$ 26,638,908</u>	 <u>\$ 24,277,608</u>

14. Subsequent Event

Subsequent to June 30, 2010, the Authority issued \$10,000,000 in revenue anticipation notes with a weighted average interest rate of 1.93%. These RANs will mature in August, 2011 and are guaranteed by the Commonwealth of Massachusetts.

15. Reserve for Extraordinary Expense

In accordance with Section 6 of Chapter 161B of the General Laws of the Commonwealth, the Authority is allowed to establish a reserve account for the purpose of meeting the cost of extraordinary expenses in an amount not to exceed three percent of the prior year's local assessment. Any balance in the reserve account at the end of the fiscal year may be carried forward into the next fiscal year; provided, however, that the aggregate amount in the account does not exceed twenty percent of the prior year's local assessment. In fiscal years 2010 and 2009, the Authority increased the reserve for extraordinary expenses by \$80,435 and none, respectively. The Authority used the \$80,435 during the current year; thus, reducing the balance in the reserve to zero.

GREATER ATTLEBORO-TAUNTON REGIONAL TRANSIT AUTHORITY
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Required Supplementary Information - Retiree Health Plan Funding Progress
June 30, 2010

Schedule 1

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b - a)	(a/b)	(c)	([b - a] / c)
6/30/2008	\$ -	\$ 1,276,810	\$ 1,276,810	0.0%	\$ 585,228	218.2%
6/30/2010	\$ -	\$ 1,448,456	\$ 1,448,456	0.0%	\$ 643,633	225.0%

GREATER ATTLEBORO-TAUNTON REGIONAL
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Schedule 2

Statement of Net Cost of Service
Year ended June 30, 2010
Form 1

	<u>Urbanized Area Service</u>	<u>Rural Area Service</u>	<u>Total Area Service</u>
I. Operating Costs			
A. RTA administrative costs (excluding depreciation)	\$ 155,209	29,564	
B. Purchased services			
Fixed route	4,536,381	864,073	
Demand response	3,763,359	716,830	
Brokerage services	17,032,071	3,244,204	
C. Debt Service	159,300	30,343	
D. Commuter rail stations/parking	161,540	30,770	
Total Operating Costs	25,807,860	4,915,784	30,723,644
II. Federal Operating Assistance			
A. FTA operating and administrative	3,717,182	47,306	
B. Other federal	-	-	
Total Federal Assistance	3,717,182	47,306	3,764,488
III. Revenues			
A. Operating			
1. Farebox Revenue	643,369	122,547	765,916
B. Brokerage service reimbursement	17,032,071	3,244,204	20,276,275
C. Other third party reimbursement			-
D. Other fully funded	436,460	83,135	519,595
E. Other Revenues			-
1. Advertising	25,021		25,021
2. Parking			-
3. Sale of capital assets			-
4. Interest income	8,381	1,596	9,977
5. Miscellaneous	67,575	12,872	80,447
Total Other Revenues	100,977	14,468	115,445
IV. Net Operating Deficit (I-II-III)	3,877,801	1,404,124	5,281,925
V. Adjustments			
A. Extraordinary expenses (not to exceed 2.5% of prior year's local assessment)	67,565	12,870	80,435
B. Current expense			-
	67,565	12,870	80,435
VI. Net Cost of Service (IV+V)	3,945,366	1,416,994	5,362,360
VII. Net Cost of Service Funding			
A. Local Assessments	2,252,191	428,989	2,681,180
B. State contract assistance			
1. LESS: Adjustment for exceeding 2.5% cap on prior year net operating expenses	2,252,191	428,989	2,681,180
C. State Contract Assistance to be funded			2,681,180
1. LESS: Partial payment made by MADOT after July 1			(2,413,062)
D. Balance requested from the State			268,118
VIII. Unreimbursed Deficit (VI-VIIA-VIIC)			-

Net Cost of Service-Calculation Worksheet
Year Ended June 30, 2010
Form 2

I. Proof calculations and other required information:

A. Prior year operating exp., net of fully funded brokerage serv. costs	\$ 10,010,371
Allowable percentage increase:	2.50%
Prior year, net operating expenses times 2.5%	<u>250,259</u>
Current year, allowable net operating expense	<u>10,260,630</u>
Plus adjustments:	
ADA expenses in excess of the 2.5% cap	
Brokerage funded costs	20,276,275
New service costs	246,884
Other fully funded	519,595
Amount under allowable net operating expense	<u>(579,740)</u>
	<u>\$ 30,723,644</u>
B. Amount of extraordinary expenses (See V. Adjustments, Form 1)	\$ 80,435
Prior year local assessment	<u>2,681,180</u>
Percentage of extraordinary to prior local assessments (not to exceed 3%)	<u>3.0%</u>
C. Aggregate amount of reserve account at June 30.	\$ 0
Prior year local assessment	<u>2,681,180</u>
Percentage of reserve account to prior local assessment (not to exceed 20%)	<u>0.0%</u>
D. State the management fee paid to major service providers as a percentage of operating costs incurred.	1.3%
E. State the percentage of benefits paid by RTA on behalf of RTA employees for:	
1. Group life and accidental death insurance	N/A
2. Group health insurance	90.0%
F. State the brokerage service contracts costs as a percentage of total operating costs.	66.0%
G. Stabilization Fund:	
1. Current year	<u>\$ 0</u>
2. Aggregate balance	<u>\$ 0</u>

Schedule of Local (Cities and Towns) Funding

Year Ended June 30, 2010

<u>Community</u>	<u>Share</u>
Attleboro	\$ 351,958
Bellingham	99,221
Berkley	20,996
Carver	46,336
Dighton	6,035
Duxbury	87,919
Kingston	70,099
Foxboro	99,026
Franklin	177,897
Lakeville	33,894
Mansfield	104,631
Marshfield	149,437
Medway	79,709
Middleborough	137,401
Norfolk	63,673
North Attleboro	180,530
Norton	104,278
Pembroke	110,558
Plainville	23,247
Plymouth	290,954
Raynham	84,614
Rehoboth	16,500
Seekonk	88,841
Taunton	335,209
Wareham	163,062
Wrentham	69,068
	<u>\$ 2,995,093</u>